

**Minutes**  
**Council on Postsecondary Education**  
**June 20, 2014**

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The Council on Postsecondary Education met Friday, June 20, 2014, at 9:00 a.m., ET, at Centre College in Danville, Kentucky. Chair Pam Miller presided.

- WELCOME Ms. Miller called the meeting to order and welcomed everyone. She thanked President John A. Roush and Centre College for hosting the meeting. President Roush gave a few words of welcome.
- ROLL CALL The following members were present: Joe Ellis, Maryanne Elliott, Dan Flanagan, Dennis Jackson, Pam Miller, Donna Moore, Marcia Ridings, Robert Staat, and Sherrill Zimmerman. Glenn Denton, Joe Graviss, Terry Holliday, Glenn Means, Carolyn Ridley, Arnold Taylor, and Joseph Wise did not attend.
- APPROVAL OF MINUTES The minutes of the April 29, 2014, meeting were approved as distributed.
- RESOLUTION The Council presented three resolutions to: (1) Mary Evans Sias, president of Kentucky State University, (2) Glenn Means, student representative Council member for the 2013-14 academic year, and (3) David Walters, Council staff member for KYAE. Each was recognized for his or her commitment to postsecondary education and the Commonwealth of Kentucky.
- CPE PRESIDENT'S REPORT TO THE COUNCIL A written report from President King was provided in the agenda book. Highlights of his report included the announcement of reports on the preliminary counts of 2013-14 total degrees and Healthcare Degree production trends over the past decade, developmental education program grants recently awarded, how eTranscripts are streamlining college admissions, the Kentucky College Access and Readiness Outreach Coalition, upcoming Council sponsored conferences, and staff achievements. Mr. King also provided an update on the Vanguard project and discussed some of the results of the 2014 CPE President Evaluations.
- COMMISSIONER OF EDUCATION REPORT Commissioner Holliday was not available to attend the June 20 meeting. He provided a written report in the agenda book.
- PERFORMANCE PRESENTATION – NORTHERN KENTUCKY UNIVERSITY Dr. Geoff Mearns, NKU president, provided the Council with an update on NKU's progress toward achieving its performance goals as set forth in the state's Strategic Agenda. Ms. Ridings complimented NKU on its policy to cut back on admissions of law students due to the decreasing number of jobs available in the field. She also asked Dr. Mearns his opinion regarding the recent article suggesting Kentucky teachers did not meet current teaching standards. Dr. Mearns responded that NKU has a new Dean of Education who will start this fall and will investigate that. Dr. Mearns also answered questions regarding NKU's online course fee, which is an additional \$25 per course.

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PERFORMANCE  
PRESENTATION –  
ASSOCIATION OF  
KENTUCKY COLLEGES  
AND UNIVERSITIES

Dr. Gary Cox, AIKCU president, and Mr. Mason Dyer, vice president for external relations and information, provided the Council with an update on AIKCU's progress toward achieving its performance goals as set forth in the state's Strategic Agenda. Dr. Cox also made a few comments regarding Georgetown College's current financial position. After the presentation, Mr. King commented that AIKCU graduates collectively make up about twenty percent of Kentucky postsecondary students. He encouraged the Council members to support AIKCU in their endeavors.

REMARKS FROM KHEAA  
AND EPSB

Carl Rollins, executive director Kentucky Higher Education Assistance Authority and the Kentucky Higher Education Student Loan Corporation, provided an update on Kentucky's student aid programs.. By statute, the student aid programs are to receive all of the lottery revenue but three million which goes to a literacy program at the University of Kentucky. Since 2009, the General Assembly has fully-funded the KEES scholarship program, but there have been cuts in the two needs-based programs: the College Access Program (CAP) for Kentucky's lowest income students, and the Kentucky Tuition Grant (KTG) for low income students attending private institutions in Kentucky. If KHEAA had received all of the lottery funds as required by in statute, 20,000 more students in the first year of the biennium would have received CAP and KTG awards, and 25,000 students would have received those funds in the second year of the biennium. KHEAA has made it part of their legislative agenda to restore the full funding amounts that were cut. Ms. Zimmerman asked how the Council can help, and Mr. Rollins suggested speaking to their legislators to help promote the necessity of those grant programs.

Robert Brown, executive director of Kentucky Educational Professional Standards Board (EPSB), discussed the recently released National Council on Teacher Quality report. EPSB has increased teacher admission requirements, and is working towards increasing educator preparations over all with the assistance and collaboration of the Kentucky Board of Education, the Council on Postsecondary Education, and other primary stakeholders.

ACTION: 2014-15  
TUITION AND  
MANDATORY FEE  
PROPOSALS

Dr. Bill Payne, CPE's associate vice president for budget and finance, and Mr. Scott Boelscher, CPE's senior associate for budget and finance, discussed the 2014-16 tuition and mandatory fee recommendations, which were presented and approved at the April 29, 2014, meeting:

- For the research and comprehensive universities, the Council approved resident, undergraduate tuition and mandatory fee ceilings for academic years 2014-15 and 2015-16 not exceed 5 percent in any one year and not exceed 8 percent over two years. (The actual 2015-16 ceiling may slightly exceed 8% above the 2013-14 base rates due to the effect of compounding.)

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- For KCTCS institutions, the Council approved resident, undergraduate tuition and mandatory fee ceilings of no more than \$147.00 per credit hour in academic year 2014-15 and no more than \$150.00 per credit hour in academic year 2015-16, which equates to a three dollar per credit hour increase each year.
- The Council stipulated they can revisit the academic year 2015-16 ceilings should there be a change in net General Fund appropriations to the institutions.
- The Council also voted to maintain the current floor for nonresident, undergraduate tuition and mandatory fees of two times the resident, undergraduate rate. The campuses are to submit for Council approval market competitive resident and nonresident tuition and mandatory fee rates for graduate and online courses.

Based on those approved recommendations, institutions submitted their 2014-15 tuition and mandatory fee proposals to the Council for approval.

Seven universities (KSU, MOSU, MuSU, NKU, UK, UofL, and WKU) requested approval of tuition and fee charges for the upcoming academic year only. Those institutions will bring their 2015-16 rates for Council approval at a later meeting, but no later than the February 2015 Council meeting. All of the universities have proposed resident undergraduate tuition and fee rates that are at or below the approved 5 percent ceiling.

KSU proposed to transition to a flat-rate pricing structure in 2014-15 that will allow one price for students taking between 12 and 18 credit hours. If approved by the Council, the resident undergraduate rate for KSU students taking 15 hours per semester would decrease by 0.7% between academic years 2013-14 and 2014-15. However, the enrollment weighted average increase for all KSU undergraduates (including full-time and part-time students) will be 5 percent from academic year 2013-14 to 2014-15. This complies with the Council's 5 percent ceiling.

NKU and WKU requested exceptions to the nonresident rate floor of 2 times the resident undergraduate rate. The requested exceptions were in-line with those requested by the institutions and approved by the Council in the prior academic year.

CPE staff recommended that the Council approve the tuition and mandatory fee rates as recommended.

MOTION: Mr. Flanagan moved that the Council approve the recommendations as presented. Ms. Zimmerman seconded the motion.

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VOTE: The motion passed.

Eastern Kentucky University requested approval of proposed 2014-15 tuition and fee rates and approval of 2015-16 resident undergraduate tuition charges. ECU will bring their remaining 2015-16 rates for Council approval at a later meeting, but no later than the February 2015 Council meeting. ECU requested an exception to the Council's 5 percent ceiling for their 2014-15 full-time, resident undergraduate tuition and fee rate, which was a 5.1% increase in 2014-15. This would allow ECU to continue their long-standing practice of charging a full-time resident undergraduate rate that is evenly divisible by 24 credit hours. ECU requested a 2.7% increase in 2015-16 for their full-time, resident undergraduate fees. Thus, the combined two year increase will total 7.96%, which is below the two-year 8% cap approved by the Council. ECU also requested an exception to the nonresident rate floor of 2 times the resident undergraduate rate. This exception was in-line with the exception requested by ECU and approved by the Council in the prior academic year.

CPE staff recommended that the Council approve the 2014-15 and 2015-16 tuition and mandatory fee rates as recommended.

MOTION: Ms. Moore moved that the Council approve the Council's recommendations as presented. Dr. Staat seconded the motion.

VOTE: The motion passed.

KCTCS requested approval of their proposed 2014-15 and 2015-16 tuition and fee rates. The proposed resident rates complied with the Council's approved ceiling. KCTCS requested resident tuition increases of \$3 per credit hour (\$147, 2.1%) in 2014-15 and an additional \$3 per credit hour (\$150, 2.0%) in 2015-16. The increases are in-line with the Council approved ceilings. The proposed rates do not include a new KCTCS Agency Bond Fee (i.e., \$4 per credit hour in 2014-15 and \$8 per credit hour in 2015-16).

CPE staff recommended that the Council approve the tuition and mandatory fee rates as recommended.

MOTION: Ms. Zimmerman moved that the Council approve the Council's recommendations as presented. Ms. Ridings seconded the motion.

VOTE: The motion passed.

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UNIVERSITY OF  
KENTUCKY CENTER OF  
APPLIED ENERGY  
RESEARCH (CAER)  
SLIPSTREAM CAPITAL  
PROJECT

Mr. Sherron Jackson, CPE's senior policy advisor of finance, and Mr. Shaun McKiernan, CPE's senior associate of budget and finance, presented the staff recommendation that the Council approve a request by the University of Kentucky to authorize the CAER Slipstream Capital Project, a federally funding research capital project, with a project scope of \$1,600,000. The University of Kentucky's CAER Slipstream project requires interim action, because the need for new construction and equipment and the funds to complete the project did not emerge until after the 2014-16 biennial budget was enacted. Authorization is needed to allow the university to properly design the project, complete the project bid process, award a contract, and complete the work. The university confirms that federal funds are available for project implementation. The project will be implemented under the prevailing wage law. The project meets the requirement of KRS 45.760(7) in that the source of funds for the project is at least 50 percent federal or private. The university does not anticipate debt financing any portion of the project; therefore, the provisions of KRS 45.763 do not apply. The University of Kentucky's Office of the Vice President for Facilities Management will implement the project.

MOTION: Dr. Ellis moved that the University of Kentucky CAER Slipstream Capital Project be approved as presented. Ms. Zimmerman seconded the motion.

VOTE: The motion passed.

KENTUCKY TUITION  
RECIPROCITY  
AGREEMENTS

Mr. Bill Payne and Mr. Shaun McKiernan presented the staff recommendation that the Council approve a new tuition reciprocity agreement with Tennessee, and changes to the agreement with Ohio. Tuition reciprocity agreements are arrangements between two or more states where citizens of a defined region in one state (e.g., Kentucky), usually in counties located close to a neighboring state's border, can enroll at identified institutions in another state for a reduced tuition charge, typically the resident tuition and fee rate charged by those institutions, in exchange for like treatment of out-of-state students attending an in-state (e.g., Kentucky) institution.

Last June, the Council approved a six-year reciprocity agreement with Tennessee, but in the days following that action, coordinating board officials in Tennessee decided they wanted a shorter-term contract, exercised an opt-out clause, and cancelled the agreement effective June 30, 2014. CPE staff has now reached agreement with Tennessee officials to extend the current terms and conditions of the reciprocity contract for three additional years, expiring June 30, 2017.

Northern Kentucky University (NKU) requests one change to the existing reciprocity agreement with Ohio. NKU seeks to provide all incoming students who have completed an NKU approved degree-pathway, associate degree program at a nearby Ohio institution (University of Cincinnati, Cincinnati State,

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Clark State, or Southern State) with reciprocity status, regardless of their county of residence. Officials at NKU believe that this change will affect fewer than ten incoming students each year.

MOTION: Dr. Staat moved that the Council approve the new tuition reciprocity agreement with Tennessee, and changes to the reciprocity agreement with Ohio as presented. Ms. Zimmerman seconded the motion.

VOTE: The motion passed.

**NEW ACADEMIC  
PROGRAMS**

Dr. Paul Blankenship, CPE's senior associate of Academic Affairs, presented the staff recommendation that the Council approve the following nine new academic programs:

Kentucky State University: Master of Arts in Interdisciplinary Behavioral Science, Psychology and Law.

Murray State University: Master of Science in Economic Development; and Bachelor of Science in Health Information Administration.

University of Kentucky: Master of Fine Arts in Creative Writing; Bachelor of Health Studies in Public Health; Master of Science in Information Communication Technology; Bachelor of Arts in Health, Society, and Populations; and Bachelor of Arts in Writing, Rhetoric, and Digital Media.

Western Kentucky University: Bachelor of Arts in Diversity and Community Studies.

Mr. Flanagan asked whether these programs were determined to have significant demand from students and employers, and/or academic need before presented to the Council. Dr. Aaron Thompson, CPE's executive vice president, answered that they are evaluated for those specific needs as well as long-term sustainability and integrity of the program for the campus.

MOTION: Ms. Zimmerman moved that the Council approve the nine new academic programs as presented. Ms. Moore seconded the motion.

VOTE: The motion passed.

**COMMITTEE ON  
EQUAL  
OPPORTUNITIES  
REPORT**

Dr. Rana Johnson, CPE's chief diversity officer, provided a report from the Committee on Equal Opportunities. The report provided details regarding the GMSCPP Annual Academically Proficient High School Junior and Senior Diversity Conference on June 13-14, 2014; Governor's Minority Student College Preparation Program Statewide Conference on June 25-26, 2014; the Kentucky Latino Education Alliance (K'LEA) meeting on May 15, 2014; and information on

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the upcoming Compact for Faculty Diversity Teaching Institute to be held October 30-November 2, 2014 in Atlanta, Georgia. The next CEO meeting will be held on October 22, 2014. Mr. Dennis Jackson, chair of the CEO, attended the GMSCPP Diversity Conference and praised the event and motivation it provided for its attendees.

UPDATE FROM  
KENTUCKY STATE  
UNIVERSITY, DNP  
PROGRAM

At its April 29, 2014, meeting, the Council passed a motion to approve a new academic program at Kentucky State University – the Doctorate of Nursing Practice. The program was approved by the Council upon the fulfillment of two conditions:

1. That KSU collaborate with a SACS-accredited institution with an established DNP program in the development and delivery of the program. KSU shall provide Council staff with a copy of the Memorandum of Understanding with the collaborating institution.
2. That KSU develop a holistic strategic student success plan (including goals and strategies for increasing retention and graduation rates) for their undergraduates. This plan shall provide clear evidence of the institution's ability to implement and sustain strategies that are formulated from evidence-based practices. The plan shall also include a detailed evaluation strategy that outlines how the university will use evaluation results to implement corrective measures and programmatic improvements.

Dr. Aaron Thompson provided an update on the status on this effort. To meet condition one, KSU has collaborated with Prairie View University in Texas to implement the DNP, and a copy of the MOU was provided to CPE staff on June 19, 2014. To comply with condition two, the KSU president's office and CPE staff have worked collaboratively to develop a holistic 2013-18 strategic agenda that not only addresses current academic shortfalls, but also provides a plan to attract future students that desire to become a long-term part of the campus. Council members were provided with copies of this strategic agenda at their seats.

FUNDING MODEL  
STEERING COMMITTEE  
UPDATE

Ms. Miller presented an update on the work for the Funding Model Steering Committee and Funding Model Work Group. Since the April 29, 2014 Council meeting, two meetings of the steering committee and one meeting of the Funding Model Work Group have been held.

On May 14, the group heard from David Cannon, the Ohio Board of Regents vice chancellor of finance/data management, and Jack Hershey, Ohio State University's associate vice-president for state relations. They presented information about Ohio's funding model which was developed by President Gordon Gee of Ohio State University, working with the public four-year university

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presidents. The Steering Committee then initiated discussion of funding model goals and guiding principles, facilitated by Martha Snyder of HCM Strategists. At the meeting, President King announced that HCM Strategists would work with the Steering Committee to facilitate development of a new funding mechanism at no cost to the Commonwealth.

On June 4, the group heard a presentation by Dr. Hank Bounds, Mississippi's commissioner of higher education, who described his state's new funding approach. A main impetus for the new approach was to move Mississippi from a "constant percentage model" (a distribution scheme based on each institution's share of total, historical FTE student enrollment) to a mechanism that is cost- and outcomes-based. Martha Snyder from HCM Strategists was at the meeting and, along with President King, facilitated additional discussion of goals and guiding principles.

The next meeting of the steering committee is June 23, 2014, at the Council's office in Frankfort.

The Funding Model Work Group had its first meeting on May 28. A preliminary set of goals and guiding principles was developed by CPE staff based on input from Work Group members, which was later shared with Steering Committee members in advance of their June 4 meeting. The Work Group consists of three CPE staff, nine chief budget officers, three chief academic officers, three institutional research directors, and a representative from the Governor's office. The Work Group's next meeting is scheduled for June 25.

Ms. Miller stated that the participation of the committee and work group has been good, and that discussions between institutional presidents, Council members, and CPE staff have already begun regarding the beginning base calculations and the principals that will guide the funding model process. The goal of the committee and work group is to align resources with the long-term policy objectives of the state.

EXECUTIVE  
COMMITTEE REPORT

Ms. Miller provided a report from the Executive Committee on the 2014 CPE president evaluation. The individuals surveyed included the Governor, educational leaders of the General Assembly, institutional presidents, Council members, and senior CPE staff. Ratings ranged from 1 to 5, with 5 representing "exceptional" and 1 representing "unsatisfactory." The average rating from all five groups was 4.1, which represented an overall rating of "exceeds expectations" for President King's work during the academic year 2013-14.

Mr. King thanked the members for committing their time to the Council. He expressed his appreciation for and concern with the continuing matter of reaching the attentions of the members of the General Assembly and making sure that the needs of the CPE are articulated effectively. He also shared that he



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communicated with the Executive Committee his concerns relating to compensation issues. Finally, he commended the CPE staff for their hard work in helping further the CPE strategic agenda and work plan.

**ACTION: 2014-15 CPE  
WORK PLAN**

Ms. Lee Nimocks, vice president for policy, planning and operations, recommended the Council approve the CPE Plan of Work for July 2014-June 2015. The Plan of Work consisted of four major goals in addition to specific priorities for each of the four focus areas of the CPE Strategic Agenda.

**MOTION:** Mr. Flanagan moved that the Council approve the CPE Plan of Work for July 2014-June 2015 as presented. Dr. Ellis seconded the motion.

**VOTE:** The motion passed.

**REPORTS FROM  
INSTITUTIONS**

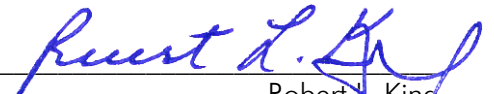
Reports from the institutions were provided in the agenda book.

**NEXT MEETING**

The next Council meeting is September 15-16, 2014, at Kentucky State University in Frankfort, Kentucky.

**ADJOURNMENT**

The meeting adjourned at noon, ET.



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Robert L. King  
CPE President



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Heather M. Bingham  
Associate, Executive Relations